

UNITED ARAB EMIRATES

TRADE SUMMARY

The U.S. goods trade surplus with United Arab Emirates was \$15.7 billion in 2017, a 17.6 percent decrease (\$3.3 billion) over 2016. U.S. goods exports to United Arab Emirates were \$20.0 billion, down 10.7 percent (\$2.4 billion) from the previous year. Corresponding U.S. imports from United Arab Emirates were \$4.3 billion, up 28.3 percent. United Arab Emirates was the United States' 18th largest goods export market in 2017.

Sales of services in United Arab Emirates by majority U.S.-owned affiliates were \$8.6 billion in 2015 (latest data available), while sales of services in the United States by majority United Arab Emirates-owned firms were \$2.3 billion.

U.S. foreign direct investment (FDI) in United Arab Emirates (stock) was \$13.4 billion in 2016 (latest data available), a 14.5 percent decrease from 2015.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

In 2017, the UAE implemented technical regulations for a range of products, including jewelry, solar photovoltaic systems, electric cables, unleaded gasoline, unmanned aerial systems, and emissions standards for vehicles. The Emirates Authority for Standardization and Metrology (ESMA) created an electronic search engine to facilitate compliance with requirements that ban the import, registration and insurance of vehicles that are dismantled, water or flood damaged, fire damaged, junk-titled, crushed, non-repairable, or have safety defects. UAE authorities, in cooperation with ESMA, also issued requirements for tire manufacturers and local distributors, retail shops, and showrooms to provide radio frequency identification labels that are registered in a central database. In addition, Dubai Municipality's Central Laboratory launched a new service to verify that halal cosmetic and personal care products, such as lipstick, creams, and soaps are free from ingredients or manufacturing processes that use pork fat and its derivatives.

UAE Cabinet Resolution No. 10 of April 2017 limits permissible levels of certain hazardous materials (including lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls, and phthalate) to less than 0.1 percent for several product categories, including: electrical and electronic devices; household appliances; IT and telecommunication equipment; consumer equipment; lighting equipment; electrical and electronic tools; toys, leisure and sport equipment; medical devices; and various monitoring and control instruments such as industrial monitoring, and automatic dispensers. UAE Cabinet Resolution No. 12 of May 2017 requires products that are marketed as "environmentally friendly" carry the Emirati Environmental Mark.

Halal

The Ministry of Climate Change and Environment also transitioned its supervision of halal certification to ESMA. As a part of this transition, all existing halal certifiers were required to complete a lengthy re-accreditation process to continue certifying halal products destined for the UAE. This move delisted all U.S. certification bodies that were previously permitted to certify to UAE halal standards, severely limiting access for U.S. companies. While three U.S. halal certifiers have regained UAE approval, U.S. agricultural producers continue to face restrictions in their ability to export halal products to the country.

Energy Drinks

In 2016, the six Member States of the Gulf Cooperation Council (GCC), working through the Gulf Standards Organization (GSO), notified WTO Members of a draft regional regulation for energy drinks. The U.S. Government and U.S. private sector stakeholders have raised questions and concerns regarding the draft regulation, including labeling statements regarding recommended consumption and container size, as well as potential differences in labeling requirements among GCC Member States.

Conformity Assessment Marking

In December 2013, GCC Member States issued regulations on the GCC Regional Conformity Assessment Scheme and GCC “G” mark in an effort to “unify conformity marking and facilitate the control process of the common market for the GCC Members, and to clarify requirements of manufacturers.” U.S. and GCC officials continue to discuss concerns about consistency of interpretation and implementation of these regulations across all six GCC Member States, as well as the relationship between national conformity assessment requirements and the GCC regulations, with the objective of avoiding inconsistencies or unnecessary duplication.

Cosmetics and Personal Care Products

GCC Member States notified WTO Members in April of 2017 of a new GSO proposed regulatory and conformity assessment scheme that will govern market authorization for cosmetics and personal care products. The United States raised concerns that neither the GCC nor its Member States have indicated whether the regional scheme will replace existing national-level registration requirements or will function in addition to national programs, potentially introducing a scenario whereby Member States require duplicative and discordant registration procedures for relatively low-risk cosmetic and personal care products. The U.S. Government and industry have also raised concerns that the measure is inconsistent with relevant international standards for cosmetics’ product safety.

Sanitary and Phytosanitary Barriers

Even though the United States maintains a transparent and stringent surveillance program for bovine spongiform encephalopathy (BSE) that ensures that the safety of U.S. beef exports exceeds requirements by the World Organization for Animal Health (OIE), has been categorized as a negligible risk country by the OIE since 2013, and has not detected any cases of BSE in over a decade, the UAE continues to ban imports of U.S. live cattle after a detection of BSE in the United States in 2004. The United States continues to request that the UAE remove this restriction and allow for the importation of U.S. live cattle.

In November 2016, the GCC announced that it would implement a “GCC Guide for Control on Imported Foods” in 2017. The United States has raised concerns about the Guide, particularly regarding the GCC’s failure to offer a scientific justification for requiring certain health certificate statements, some of which may not follow relevant guidelines established by the Codex Alimentarius Commission, the International Plant Protection Convention, or the World Organization for Animal Health. The United States has requested that the GCC delay implementation of the Guide until experts are able to address these concerns. As of December 2017, GCC Member States have indefinitely suspended implementation of the Guide.